

# BOARD OF COUNTY COMMISSIONERS

## AGENDA ITEM SUMMARY

Meeting Date: 18 June 2003

Division: Growth Management

Bulk Item: Yes      No X

Department: Marine Resources

### AGENDA ITEM WORDING:

Update briefing on wastewater management projects and issues.

### ITEM BACKGROUND:

The County Administrator informed the BOCC at its June 20, 2002, regular meeting, that staff will provide briefing updates on the status of wastewater projects and issues to the BOCC on at least a monthly basis. In addition to a oral briefing, the staff will prepare a written update report intended for insertion in the Wastewater Project Book provided to the BOCC at the June meeting. A staff representative from the FKAA has also been asked to attend the meeting and to provide the Commission with further updates on their projects as necessary.

### PREVIOUS RELEVANT BOCC ACTION:

NA

### CONTRACT/AGREEMENT CHANGES:

NA

### STAFF RECOMMENDATIONS:

NA

TOTAL COST: NA

BUDGETED: Yes      No     

COST TO COUNTY: NA

SOURCE OF FUNDS:     

REVENUE PRODUCING: Yes      No X AMOUNT Per Month      Year     

APPROVED BY: County Atty NA OMB/Purchasing NA Risk Management NA

DIVISION DIRECTOR APPROVAL:

  
Timothy McGarry, Director of Growth Management

DOCUMENTATION: Included X To Follow      Not Required     

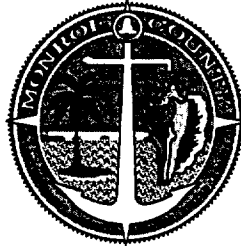
DISPOSITION:     

AGENDA ITEM NO.: W1

# Memorandum

**Department of Marine Resources**

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**Board of County Commissioners**

Mayor Dixie Spehar, Dist. 1  
Mayor Pro Tem Murray Nelson, Dist. 5  
Commissioner George Neugent, Dist. 2  
Commissioner Charles "Sonny" McCoy, Dist. 3  
Commissioner David Rice, Dist. 4

DATE: 5 June, 2003

TO: Board of County Commissioners

FROM: James L. Roberts, County Administrator *for*

SUBJECT: **Staff Update Report (# 06-03) on Wastewater Master Plan Implementation Issues**

The staff report has been revised slightly to make the document easier to read. Subject matter has now been provided with a brief "background" statement followed by "update" information. The updates will be current to the month since the last BOCC meeting and monthly staff report. Achievements, since they are beginning to add up, have been moved to the end of the staff report as, Attachment 3.

The staff of the Florida Keys Aqueduct Authority will be on hand at the June Commission meeting to update the Board on progress to date. The FKAA staff report for June is attached for review (Attachment 1).

## **AVAILABLE FUNDS FOR WASTEWATER**

### **Federal Funds - \$100 M Congressional Authorization:**

Background: Public Law 106-554 authorized the Army Corps of Engineers (ACOE) to "provide technical and financial assistance to carry out projects for the planning, design and construction of treatment works to improve water quality in the Florida Keys National Marine Sanctuary. Congress may appropriate up to 100 million dollars through previous authorization language.

Update: No additional update this month.

### **FEMA Funds:**

Background: In response to damages and losses which occurred as a result of Hurricane Georges, Congress enacted Public Law 106-31, Emergency Supplemental Appropriations Act for Fiscal Year 1999 to fund long term disaster recovery projects in Florida counties whose needs were unmet through primary disaster relief funds. Monroe County requested that a substantial amount of the funds made available to it, be utilized for wastewater

improvement projects. There are four FEMA wastewater projects in the County, Key Largo Trailer Village, Conch Key, Baypoint, and one project in Islamorada. These projects must be complete by the end of September 2005.

Update: No additional update this month.

#### FDEP State funding:

Background: Pursuant to Specific Appropriation 1765A of the 2002 - 2003 General Appropriations Act (Chapter 2002-334, Laws of Florida), funding in the amount of \$ 11.8 million was provided was broken into three categories and may fund either wastewater or stormwater projects.

- o First, \$1.66 million was provided to qualifying projects in Key Largo, Islamorada, Marathon, and Key West.
- o Second, \$200,000 was provided both Layton and Key Colony Beach.
- o Third, the remaining funds (\$4.76 million) will be provided to qualifying projects in hotspot areas as identified in the Wastewater Master Plan. The County and municipalities have agreed in a joint resolution to the equitable split of these funds. The County's share will be \$1.112 million. Then, if there are any funds left over, additional projects will be considered in an additional round of funding.

Update: No additional update this month.

#### Remaining Cesspool Elimination Funds:

Background: Under the Cesspool Identification and Elimination Program (CIEA), funds were provided through four contracts to Monroe County to be used as grants to property owners assist in the cost of upgrading cesspools to approved on-site wastewater nutrient reduction systems (OWNRS). Two to the contracts were utilized to completion and have helped to eliminate cesspools in all areas defined as "Coldspots." These contracts provided approximately \$1,000,000 in cesspool replacement grant funds. As the CIEA program is complete in the Coldspot areas at this time, it has been the direction of the Commission to shift remaining funds to other projects where cesspools must be replaced. The remaining contract funds amount to \$1,225,600.

Update: No additional update this month

#### Other Grant Opportunities:

Background: Under House Bill 851 (FY 2002), the County developed a wastewater project proposal for the Key Largo area. Similarly, the FKAA submitted several different proposals, one for each of its current wastewater project areas. The Key Largo proposal and other FKAA proposals were submitted in the early part of November.

Update: No additional update this month

Background: Rick Casey of the Monroe County Housing Authority had been very hopeful of receiving a Community Development Block Grant (CDBG) for approximately \$350,000. This request fell through in October but apparently was revitalized in January when one of those agencies awarded funds failed to qualify in the final review. As the County was next in line, apparently the County will be receiving a share of the current grant funds. Staff understands that the amount is substantially more than originally requested, approximately \$637,500.

Update: Since the April meeting, Mark Bell of Rick Casey's staff at the Housing Authority is beginning a process to contact all property owners on Stack Island to determine their interest and eligibility for CDBG funds.

Additional CDBG funds have been made available through the Florida Department of Community Affairs to assist local governments and individual businesses where jobs will be created or preserved in the community which would generally serve low and very low income residents. Funds available to the County may be as high as \$750,000 and are separate from those available simply to offset the cost of connection to wastewater services, as noted above. Over the past month, The Housing Authority and the County have been discussing making an application for these funds to be utilized on the Baypoint wastewater project. The Knuckleheads project will generate an additional or so jobs that will likely be taken by low and very low income employees, therefore making this project and the County eligible for the funds. An item in support of the application is before the Commission in June.

#### Issues That Need to be Addressed

- Need to adopt financial assistance criteria for economically disadvantaged households throughout the County.
- Need to develop a financial assistance program and the means assessment (placement on tax bill) for all areas served by investor-owned utilities sponsored with funding by the County.

#### Recommended BOCC Action:

- Consideration of wastewater assessment ordinance to allow financing of wastewater connection fees through an assessment to be placed on the tax bill..

#### Significant Future Milestones/Actions:

- Decision on wastewater assessment ordinance as recommended by staff. *[Target Date: June/July/August Commission meetings]*

## **WASTEWATER GOVERNANCE**

### **FKAA:**

Background: The FKAA is the County's wastewater authority within unincorporated areas of the County and outside of other wastewater jurisdictions such as the KWRU or KLWTD. The County is working with the FKAA on projects on Conch Key, Baypoint, and Big Coppitt.

Update: No additional update this month

### **Key Largo Wastewater Treatment District:**

Background: With its creation in June of 2002 and the election of Board member in November of 2002, the Key Largo Wastewater Treatment District (KLWTD) is currently an independent Utility District. They will need County and FKAA assistance in a transition process over the first six months to one year.

Update: No additional update this month

### **Issues That Need to be Addressed:**

- None at this time

### **Recommended BOCC Action:**

- None at this time

### **Significant Future Milestones/Actions:**

- None at this time

## **PROGRAMMATIC IMPLEMENTATION PLAN**

Background: Staff has indicated that it will work to provide a long-range implementation program for wastewater projects. To a limited extent this has happened through the capital budget process and through the efforts on-going with the ACOE to develop projects under the congressional \$100M authorization. An integration of all of these components remains to be completed.

Update: No additional update this month

### **Issues That Need to be Addressed:**

- Need for realistic programmatic implementation plan that establishes policies on reasonable connection fees and monthly charges; project and financing priorities; and a schedule for

programming of wastewater projects based on available identified funding in accordance with the Sanitary Wastewater Master Plan.

- o Need to revise the Seven Year Work Program in the Monroe County Year 2010 Comprehensive Plan to reflect the results of the adopted programmatic implementation plan.

**Recommended BOCC Action:**

- o Consideration of recommended draft programmatic implementation plan prepared by County and FKAA staff.

**Significant Future Milestones/Actions:**

- o Approval of programmatic implementation plan for the Sanitary Wastewater Master Plan  
*[Target Date: July 2003 Commission meeting]*

**FEMA UNMET NEEDS PROJECTS**

**A. General**

Background: In response to damages and losses which occurred as a result of Hurricane Georges, Congress enacted Public Law 106-31, Emergency Supplemental Appropriations Act for Fiscal Year 1999 to fund long term disaster recovery projects in Florida counties whose needs were unmet through primary disaster relief funds. Monroe County requested that a substantial amount of the funds made available to it, be utilized for wastewater improvement projects. There are four FEMA wastewater projects in the County, Key Largo Trailer Village, Conch Key, Baypoint, and one project in Islamorada. These projects must be complete by the end of September 2005.

**Update:** No additional update this month

**Issues That Need to be Addressed:**

- o Complete FEMA Supplemental Environmental Assessment hearings

**Recommended BOCC Action:**

- o None at this time

**Significant Future Milestones/Actions:**

- o None at this time

## **B. Key Largo Trailer Village (MM 100 +/-)**

**Background:** After reduction in the size of the Key Largo wastewater project, staff returned to the original FEMA project list for Key Largo. Key Largo Trailer Village was selected as a prime site in need of wastewater improvements under the guidelines of the FEMA Unmet Needs congressional appropriation. It is a very low-lying area with a large number of unknown wastewater systems.

**Update:** No additional update this month.

### Issues That Need to be Addressed:

- Complete FEMA Supplemental Environmental Assessment hearings.
- Complete transition process between the County, FKAA, KLWTD, and FEMA for project management
- Complete Project construction bid process and initiate construction contracts

### Recommended BOCC Action:

- None at this time

### Significant Future Milestones/Actions:

- Completion of FEMA hearings [*Target Date: June/July 2003 KLWTD meetings*]
- Complete transition process between the County, FKAA, KLWTD, and FEMA for project management. [*Target Date: July 2003*]
- Initiation of construction contracts [*Target Date: August-September 2003 KLWTD meetings*]

## **C. Conch Key (MM 61)**

**Background:** Conch Key was selected as a prime site in need of wastewater improvements under the guidelines of the FEMA Unmet Needs congressional appropriation. It is a very low-lying area with a large number of unknown wastewater systems.

**Update:** Staff, working with the FKAA, participated in a public meeting held at the Conch Key Fire Station. The FKAA provided information about the Conch Key wastewater projects, including discussions about the timetable for project completion, decommissioning on-site wastewater systems, and connection fees.

Prior to the meeting, the FKAA had discussed making FEMA funding adjustments between the Conch Key and Baypoint wastewater projects so that the projected connection costs were approximately equal. This was done. However, the cost is still approximately \$7,000 per

Equivalent Dwelling after applying available and committed grant funds. The Commission directed that funds set aside for the EPA Decentralized Utility demonstration grant project is shifted to Conch Key and Baypoint to lower connection costs.

Issues That Need to be Addressed:

- o Complete FEMA Supplemental Environmental Assessment hearings.
- o Complete Project construction bid process and initiate construction contracts

Recommended BOCC Action:

- o None at this time

Significant Future Milestones/Actions:

- o Completion of FEMA hearings *[Target Date: July 2003]*
- o Initiation of construction contracts *[Target Date: August-September 2003]*

**D. Baypoint (MM 15)**

Background: Baypoint was selected as a prime site in need of wastewater improvements under the guidelines of the FEMA Unmet Needs congressional appropriation. It is a very low-lying area with a large number of unknown wastewater systems.

Update: Staff, working with the FKAA, participated in a public meeting held at the Sugarloaf Fire Station. The FKAA provided information about the Baypoint wastewater projects, including discussions about the timetable for project completion, decommissioning on-site wastewater systems, and connection fees.

Prior to the meeting, the FKAA had discussed making FEMA funding adjustments between the Conch Key and Baypoint wastewater projects so that the projected connection costs were approximately equal. This was done. However, the cost is still approximately \$7,000 per Equivalent Dwelling after applying available and committed grant funds. The Commission directed that funds set aside for the EPA Decentralized Utility demonstration grant project is shifted to Conch Key and Baypoint to lower connection costs.

Staff met with the Florida Department of Community Affairs, which oversees the Community Block Development Grant program (CDBG), concerning a new source of CDBG funds that have been made available by the federal government for project which either generate or retain jobs in the community. It was suggested that any of the wastewater projects currently underway could qualify, if a local business partner were identified. Within the Baypoint project area, Knucklehead's Restaurant will be redeveloping after being destroyed during Hurricane Georges. They are a willing partner and are being suggested to the Board as an appropriate project to work with to bring in these additional CDBG funds. The funds will assist the County in lowering the



overall Baypoint project cost and, by making essential improvements under the grant, Knucklehead's will likely lower their connection costs.

Issues That Need to be Addressed:

- Complete FEMA Supplemental Environmental Assessment hearings.
- Complete Project construction bid process and initiate construction contracts

Recommended BOCC Action:

- None at this time

Significant Future Milestones/Actions:

- Completion of FEMA hearings [*Target Date: July 2003*]
- Initiation of construction contracts [*Target Date: August-September 2003*]

**KEY WEST RESORT UTILITIES (STOCK ISLAND EXPANSION)**

Background: In July of 2002, the Commission approved a contract to complete wastewater improvements on south Stock Island through the Key West Resort Utility (KWRU). In December the Commission approved a Resolution requesting that the KWRU begin a process to design and construct improvements to their plant to meet AWT nutrient standards. In January, the Commission heard from a number of property owners concerned about the connection requirements and agreements with KWRU. Staff has been working on those issues with KWRU from that time.

Update: Things are going well with KWRU at this point. An ordinance adopting a Uniform Connection Policy has received on public hearing and will be heard at least once more at the Board's June meeting. An ordinance providing the means to place a wastewater assessment on the tax roll is on the agenda for June as a "request to advertise." This ordinance will provide the means for interested property owners, on a voluntary basis, to finance their connection fees over a prescribed period of time adopted by the Board. Staff is suggesting 20 years to match the financing program provided by the FKAA.

At its last meeting, during discussion of the ordinance concerning a uniform connection policy, issues were raised concerning additional fees assessed by Key West Resort Utility. The Board requested that staff provide feedback on what these fees were and how much they would be. In the Key West Resort Utility application, four charges are listed as follows:

- Guaranteed Payment Deposit Due:
- Service Charge Due
- System Development Review
- Tap Fee Due
- Special Billing Due

Staff discussed these fees with the Utility, Doug Carter. The **“Guaranteed Payment Deposit”** fee, as defined by Mr. Carter, amounts to a “down payment” of 1/3 of the connection fees based on the number of EDUs on a property multiplied by the \$2,700 per EDU connection fee. In combination the **“Service Charge”** and **“System Development Review”** can amount to up to 10 % of the on-property construction costs and may include administrative charges, legal costs, and the cost of paying KWRU engineers to review engineering documents provided by a property owner and to verify that connection standards are being adhered to on-property. The **“Tap Fee”** amounts to payment of the remaining 2/3 of the connection fees. **“Special Billing”** charges may also accrue for costs incurred by the Utility as part of the connection process. These charges would be part of the requirements for connecting to the Utility, which would otherwise be incurred directly by the property owner, but which might best or most easily be handled by the Utility. These are costs that would have to be agreed upon between the Utility and the property owner prior to undertaking their completion.

In short, based on staff’s communication with the Utility, the substantive additional cost that would be incurred above and beyond the connection fees (No. of EDUs X \$2,700 per EDU) would be the 10% (up to a maximum) charge associated with administrative and legal fees and on-property review of a property owners connection to the Utility.

Attached for your review (Attachment 2) is a document from a Harbor Shore property owner, which assesses the overall project costs to Harbor Shores, including on-property improvements and test and connection fees. The document does not assess the fees noted above, but appears to provide a redundant 10 % charge for engineering and or System Development Review.

**Issues That Need to be Addressed:**

- Review of connection fees and associated costs through KWRU for connection to the Utility

**Recommended BOCC Action:**

- Establishment of a Uniform Wastewater Connection policy for Key West Resort Utilities and the rest of the Keys under FKAA and KLWTD authority – what properties are served to what degree, and at who’s expense.
- Establishment of a tax assessment ordinance which provides the means to finance connection fees for those interested over a protracted period of time (20 years)

**Significant Future Milestones/Actions:**

- Approval of a uniform wastewater connection policy for all areas of the Keys, including Key West Resort Utilities [*Target Date: June 2003 Commission meeting*]
- Approval of a tax assessment ordinance which provides the means to finance connection fees for those interested over a protracted period of time (20 years) [*Target Date: July 2003 Commission meeting*]

## **LOWER KEYS WASTEWATER (MM 7.0 TO MM 11.0)**

**Background:** Big Coppitt has been the focus of the Commission as the next wastewater project to be undertaken.

**Update:** The FKAA has initiated work to develop engineering design criteria for the Big Coppitt area. A first draft report on the effort is available. The findings will of the Big Coppitt feasibility study will be discussed at the June Board meeting and will be provided to the Board prior to the July meeting

### **Issues That Need to be Addressed:**

- Need to determine the preferred wastewater management option for Big Coppitt, including preliminary system capital and operating costs.
- Need to seek additional funding for the project as the next project in priority from the Sanitary Wastewater Master Plan.

### **Recommended BOCC Action:**

- Consideration of recommendations of staff on preferred wastewater management options for Big Coppitt.
- Direct staff to seek funding for the Big Coppitt wastewater project.

### **Significant Future Milestones/Actions:**

- Consideration of project proposals for wastewater management options on Big Coppitt to determine the preferred wastewater management option. *[Target Date: May 2003 BOCC meeting]*
- Acceptance of grant funds to further develop the Big Coppitt wastewater project. *[Target Date: To be determined]*

## **EPA DECENTRALIZED WASTEWATER DEMONSTRATION PROGRAM**

**Background:** In the 1999 congressional appropriations process, the County was granted \$3.8 million to initiate a decentralized wastewater / centralized utility management demonstration project. The project when initiated requires a 25 percent match from the County.

This project has literally taken on a life of its own. It has been difficult to initiate the project with all in agreement as to the best approach for undertaking it.

**Update:** At the May Board meeting, the Commission agreed to turn down the grant and shift match funds to assist in reducing the costs of the Conch Key and Baypoint wastewater projects.

**Issues That Need to be Addressed:**

- None at this time

**Recommended BOCC Action:**

- None at this time

**Significant Future Milestones/Actions:**

- None at this time

**OTHER ISSUES**

Background: From time to time other issues will arise concerning wastewater which do not conform to the format in the rest of the monthly report. They will be placed in this section

Update: None since the March 2003 BOCC meeting.

**Issues That Need to be Addressed:**

- None at this time

**Recommended BOCC Action:**

- None at this time

**Significant Future Milestones/Actions:**

- None at this time

**Attachment 1**

**FKAA May 2003 update**

**Florida Keys Aqueduct Authority  
Wastewater Report  
May – June 2003**

**Little Venice Wastewater System**

United Engineering Corporation (UEC) is continuing with the construction of the **originally bid wastewater system**. Notable points of construction are:

- Vacuum Collection System
  - Construction of the underground Collection System pipeline work has slowed but continues and remains approximately 80% complete.
  - The pipeline construction on US 1 has been slowed by existing obstructions in the rights of way.
  - Construction of the vacuum sewer system valve pits and laterals services (to the right of way lines), and clean up continues in the neighborhoods.
- Advanced Wastewater Treatment (AWT) Plant
  - Preparation of the vacuum and pump station foundations is now complete.
  - The filter and common wall tank foundations have been completed.
  - Work on the AWT Plant is still proceeding at a pace slower than desired.
- Customer Hookup and Systems Operation
  - FKAA is continuing to coordinate the procedures for the customer hook ups internally, and with the City of Marathon, plumbers, the Department of Health (DOH), and the Florida Department of Environmental Protection (FDEP).
  - Subsequent coordination with the DOH and City of Marathon is required and will be ongoing.

The following occurred during the month concerning the **Little Venice Expanded** (expanded service area) contract:

- The apparent low bidder Kenko, Inc. after award of the contract by FKAA, was unable to acquire performance and payment bonds.
- By contract, FKAA alerted Kenko, Inc.'s bid bond surety of the cancellation of the contract, and collection of their bid bond.
- FDEP was also alerted to the situation to insure that this situation would not affect the grant conditions.
- The second low bidder (Mancon, Inc.) has been advised of the situation and contracts are being prepared for their execution.
- Construction will commence with the preconstruction meeting that is anticipated to be arranged for July 2003.

**City of Marathon**

FKAA and the City of Marathon met several times to discuss moving forward with the Central Wastewater Program as well as smaller wastewater programs. During the month:

- FKAA and the City met with the Task Force on 7 May 2003.
- FKAA provided an update on wastewater issues to the Council at the 27 May 2003 council meeting.
- FKAA and the City met on several occasions to discuss the moving forward with the central system however, in a phased approach.
- Meetings were also held on the potential of smaller wastewater systems to serve areas under redevelopment (Buccaneer development), and areas that are under mandate by DOH to install treatment systems (Trailer Ranches by the Sea).

### **Conch Key**

Conch Key became an active project due to the continuation of engineering design, and more so due to the notification that the estimated cost per EDU for the project is \$7,000; that is greater than what was originally proposed. During the period:

- A public meeting was held on 13 May 2003 at the Conch Key Firehouse with FKAA, and Monroe County. Approximately 25 residents attended, and the meeting proceeded very well even with the notification of the estimated EDU cost.
- FKAA provided a presentation to the BOCC on the status of the project as well as the justification for the EDU estimates. BOCC agreed to use funds slated from the on-site program (that will now not be implemented) towards the project, if required to bring down the cost per EDU.
- FKAA continued to coordinate with FEMA on the environmental assessment process. Due to higher than projected EDU cost, FEMA is planning their public meeting now for July 2003.
- The wastewater system design continued during the month.
- A preliminary set of design plans were received and reviewed by FKAA, with comments and revisions returned immediately thereafter.

### **Key Largo Trailer Village**

FKAA continued coordination with FEMA to close out the environmental assessment portion of the project. The FEMA process is on track, and FEMA anticipates approval of their process by September 2003.

### **Key Largo Park**

No activity by FKAA.

### **Bay Point**

The project is in a similar situation to that of Conch Key. The project became very active due to the start up of engineering design, and again more so due to the notification that the estimated cost per EDU for the project is \$7,000; that is greater than what was originally proposed. During the period:

- A public meeting was held on 14 May 2003 at the Sugarloaf Firehouse with FKAA, and Monroe County. Approximately 50 residents attended the meeting that proceeded very well even with the notification of the estimated EDU cost. The most controversial issues were that of abandoning existing septic systems, and quirks of the vacuum system.